

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Review Item:

Identification of District Watch List (List of districts under separate cover)

Applicable Statute(s) or Regulation(s):

KRS 160.470 and 160.550

History/Background:

Existing Policy. As a part of the Office of District Support Services' Management Improvement Program, districts are expected to end the fiscal year with a general fund balance of no less than 2%. Districts with less than 2% are put on what has commonly been referred to as the "watch list." The watch list is not intended to be punitive, but rather is meant to ensure the district receives additional support from KDE sufficient to return the district to a financially stable condition. Division of School Finance staff work with the superintendent and finance officer of the district to determine if the staffing patterns are sound and affordable and to help identify areas where either expenditure could be reduced or revenues increased.

The initial watch list was provided at the August Board meeting based on the Annual Financial Reports that were due to KDE July 25th. The current list was revised based on the independent audits that are due to KDE on October 31st and will be presented at the October meeting.

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Interim Commissioner of Education

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